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(G) allowable advertising;

(H) licenses and dues; and

(I) legal, accounting, data processing, insurance, and interest expenses.

These costs shall not be directed to individual facilities operated by the provider or reported on any other line of the cost report.

(3) Non-reimbursable costs in K.A.R. 30-10-23a, costs allowed with limitations in K.A.R. 30-10-23b, and the revenue offsets in K.A.R. 30-10-23c shall apply to central office costs.

(4) Estimates of central office costs shall not be allowable.

(b) Central office salary and other limitations.

(1) Salaries of employees performing the duties for which they are professionally qualified shall be allocated to the room and board and health care cost centers as appropriate for the duties performed. Professionally qualified employees include licensed and registered nurses, dietitians, and others as may be designated by the secretary.

(2) Salaries of chief executives, corporate officers, department heads, and other employees with ownership interests of five percent or more shall be owner's compensation and the provider shall report these salaries as owner's compensation in the administrative cost center.

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(3) The provider shall include the salary of an owner or related party performing a resident-related service for which such person is professionally qualified in the appropriate cost center for that service, subject to the owner-related parties salary limitations.

(4) The provider shall report salaries of all other central office personnel performing resident-related administrative functions in the administrative cost center.

(5) All providers operating a central office shall complete and submit detailed schedules of all salaries and expenses incurred in each fiscal year. Failure to submit detailed central office expenses and allocation methods shall result in an incomplete cost report. The provider shall submit methods for allocating costs to all facilities in this and other states for prior approval. Changes in these methods shall not be permitted without prior approval.

(6) A central office cost limit may be established by the agency within the overall administrative cost center limit.

(7) The provider may allocate and report bulk purchases by the central office staff for plant operating, room and board, and health care supplies in the appropriate cost center of each facility if sufficiently documented. Questionable allocations shall be transferred to the central office cost line within the administrative cost center.

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(c) The effective date of this regulation shall be December 29, 1995. (Authorized by and implementing K.S.A. 1994 Supp. 39-708c, as amended by L. 1995, Ch. 153, Sec. 1; effective May 1, 1985; amended, T-30-10-1-90, Oct. 1, 1990; amended Jan. 30, 1991; amended Oct. 28, 1991; amended Dec. 29, 1995.)

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30-10-28. Resident days. (a) Calculation of resident days.

(1) "Resident day" shall have the meaning set forth in K.A.R.

30-10-1a.

(2) If both admission and discharge occur on the same day, that day shall be considered to be a day of admission and shall count as one resident day.

(3) If the provider does not make refunds on behalf of a resident for unused days in case of death or discharge, and if the bed is available and actually used by another resident, these unused days shall not be counted as a resident day.

(4) Any bed days paid for by the resident, or any other party on behalf of the resident, before an admission date shall not be counted as a resident day.

(5) The total resident days for the cost report period shall be precise and documented; an estimate of the days of care provided shall not be acceptable.

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(6) In order to facilitate accurate and uniform reporting of resident days, the accumulated method format set forth in data specifications in diskettes furnished by the agency shall be used for all residents beginning January 1, 1999. The monthly reporting, using the diskette, shall be submitted to the agency as supportive documentation for the resident days shown on the cost report forms and shall be submitted at the time the cost report and required documents are submitted to the agency. Monthly census summaries shall include reporting for nursing facility or nursing facility-mental health, other residential days with shared nursing facility or nursing facility-mental health costs, and day care hours. Each provider shall keep these monthly records for each resident, whether a Kansas medical assistance program recipient or a non-recipient. If the provider fails to keep accurate records of resident days in accordance with the accumulated method format, the assumed occupancy rate shall be 100 percent.

(7) The provider shall report the total number of Kansas medical assistance program resident days in addition to the total resident days on the uniform cost report form.

(8) The provider shall report the total number of other residential days with shared nursing facility or nursing facility-mental health costs on the uniform cost report form.

(b) Respite care days shall be counted as resident days and reported on the monthly census forms.

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(c) Day care and day treatment shall be counted as one resident day for 18 hours of service. The total hours of service provided for all residents during the cost reporting year shall be divided by 18 hours to convert to resident days.

(d) This regulation shall take effect on and after January 1, 1999. (Authorized by and implementing K.S.A. 1997 Supp. 39-708c; effective May 1, 1985; amended May 1, 1987; amended Jan. 2, 1989; amended Jan. 2, 1990; amended, T-30-10-1-90, Oct. 1, 1990; amended Jan. 30, 1991; amended Nov. 2, 1992; amended Jan. 3, 1994; amended Jan. 1, 1999.)

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30-10-29. Reimbursement for 24-hour nursing care. Nursing facilities participating in the medicaid/medikan program shall be reimbursed for providing 24-hour nursing care subject to the following limitations. (a) Nursing facilities which are currently providing 24-hour nursing care and whose costs are included in the current payment rate shall not be entitled to additional reimbursement.

(b) Nursing facilities which incur the costs of professional nurses' services for an additional evening or night shift seven days per week, but who do not have these costs included in the facility's payment rate, shall be reimbursed for these costs. Professional nurses may be registered nurses or licensed practical nurses. The additional costs of the nurses include salaries, employer payroll taxes, and related employee benefits.

(1) The reimbursement shall be limited to the evening and night shifts, 16 hours per day, seven days per week. Any provider may request reimbursement for either shift after partial compliance is met or for both shifts after full compliance is met.

(2) A reimbursement factor for 24-hour nursing care shall be provided in addition to a nursing facility's current medicaid rate and may exceed the health care cost center limit.

(3) The per diem factor shall be determined after the nursing facility submits the required forms and documentation.

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(4) Required documentation includes copies of payroll records reflecting the names of nurses hired and the nurses' salary costs.

(5) If the forms and documentation are received after the effective date of the hiring, a retroactive rate adjustment shall be made back to the effective date of employment.

(6) Nursing facilities shall only be reimbursed once for each of the evening or night shifts covered by professional nurses. If a provider loses either shift coverage after receiving the additional 24-hour nursing reimbursement factor, the costs incurred to come back into compliance shall be reflected in the cost report and per diem rate.

(7) Resident days used in the denominator of the 24-hour nursing reimbursement calculation shall be based on the actual resident days from the last nursing facility financial and statistical report submitted. The resident days shall not be subject to the 85 percent minimum occupancy factor.

(8) The 24-hour nursing reimbursement factor shall be reduced as related expenses are reflected in the cost reports.

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(9) The provision for 24-hour nursing reimbursement shall not include the cost of contract labor incurred through the use of nursing pool services or other sources. The intent of the 24-hour nursing provision shall be to reimburse the provider for the cost of the professional nurse hired in an employee/employer relationship.

The cost of contract labor for nurses shall be an allowable cost reported in the nursing facility financial and statistical report and subsequently reflected in the per diem rate, subject to upper payment limits.

(10) The provision for 24-hour nursing reimbursement shall not include the cost of nurses on the day shift.

(c) This provision shall expire for requests received after December 31, 1995.

(d) The effective date of this regulation shall be December 29, 1995. (Authorized by and implementing K.S.A. 1994 Supp. 39-708c, as amended by L. 1995, Ch. 153, Sec. 1; effective, T-86-42, Dec. 18, 1985; effective, T-87-5, May 1, 1986; effective May 1, 1987; amended May 1, 1988; amended Jan. 2, 1990; amended, T-30-10-1-90, Oct. 1, 1990; amended Jan. 30, 1991; amended May 1, 1991; amended Oct. 28, 1991; amended Nov. 2, 1992; amended Dec. 29, 1995.)

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Subpart B

## Methods and Standards for Establishing Payment Rates- Skilled Nursing and Intermediate Care Facility Rates (NFs and NFs/MH)

### Audits

1. The State uses a standardized nursing facility desk review program and a standardized field audit program.
2. The State shall perform a desk review of all cost reports within six months after receipt.
3. The State shall provide for periodic audits of the financial and statistical records of participating providers.
4. Installment recoupments shall be allowed if the Department determines that a lump sum recoupment could result in the provider being unable to provide a standard level of care. Any payment schedules in excess of twelve months shall be approved by the Secretary.